(c) to what extent this would help to increase trade with Italy?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI E.V.K.S. ELANGOVAN): (a) and (b) The Government has approved a proposal to set up an Indian Leather Desk in Milan (Italy), initially for a period of one year under the Market Access Initiatives (MAI) Scheme. Government assistance for the Desk will be limited to 50% of the expenditure. The main objective of the Desk would be to foster and strengthen mutually beneficial relationship between the leather industry of India and Italy so as to promote trade and investment.

(c) It is targeted that India's leather and leather goods export to Italy will increase from US$ 263 million to US$ 630 million by 2010 with a Compounded Annual Growth Rate (CAGR) of 16%. The Desk will also facilitate Italian investment in Indian Leather Sector, technology transfer and market tie-ups.

Import of pepper from Sri Lanka

313. SHRI K. CHANDRAN PILLAI:
SHRI A. VIJAYARAGHAVAN:

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether it is a fact that a steep increase has been registered in import of pepper from Sri Lanka since the exemption of Import Duty on pepper imported from Sri Lanka;

(b) if so, the details of the import of pepper from Sri Lanka during the period 2001-04, year-wise;

(c) whether Government are aware of the fall in prices of pepper in consecutive years;

(d) if so, the details thereof, year-wise; and

(e) the steps Government have taken/propose to take to protect interest of the indigenous producers?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI E.V.K.S. ELANGOVAN): (a) Yes, Sir. Import of pepper from Sri Lanka has registered a steep increase after effecting exemption of duty in import of pepper from Sri Lanka under the India-Sri Lanka Free Trade Agreement.

(b) Import of pepper from Sri Lanka from 2000-01 to 2003-04:-

Year	Quantity (MT)	Value (Rs. Lakhs)
2000-01	1759	2791
2001-02	1241	1605
2002-03	6099	5705
2003-04	4916	3526

(c) and (d) Yes, Sir. Yearly average domestic price of pepper from 2000-01 is furnished below:-

Year	Average Domestic Price (Rs./Kg)
2000-01	174.24
2001-02	80.39
2002-03	88.32
2003-04	74.11
2004-05 (upto October 2004)	70.91
October, 2004	64.08

(e) During the 3rd Commerce Secretary Level Talks between India and Sri Lanka held in August, 2004 in Colombo, Sri Lanka, the Indian side expressed their concern over the significant increase that has taken place with regard to export of pepper to India under India-Sri lanka FTA. The Sri Lankan side informed that the production statistics of pepper tallied with that of domestic consumption and export. Both sides agreed to established a monitoring mechanism to prevent circumvention of Rules of Origin.

Views of G-20 on WTO Agreement

314. SHRIMATI N.P. DURGA: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether it is a fact that G-20 consortium led by India, Brazil, China, Argentina and South Africa slammed the latest draft frame work on trade issues circulated by the WTO;